

May 25, 2023

Brockton Area Transit Authority

Federal Transit Administration (FTA)

DBE Goal Setting Methodology

For FFY2024-FFY2026

Goal Period

Submitted in fulfillment of:

Title 49 Code of Federal Regulations Part 26.45

Brockton Area Transit Authority  
Disadvantaged Business Enterprise (DBE)  
Goal Methodology  
Federal Fiscal Years 2024-2026  
Recipient ID #1370  
May 25, 2023

The Brockton Area Transit Authority is submitting its three year Disadvantaged Business Enterprise (DBE) Goal and corresponding goal setting methodology for the three-year Federal Fiscal Year (FFY) goal period 2024-2026 (October 1, 2023 through September 30, 2026), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26.45 "Participation by Disadvantaged Business Enterprise in U.S. Department of Transportation Programs." The purpose of the DBE goal setting process is to level the playing field so that DBE's can compete fairly for Department of Transportation assisted contracts.

The following is the methodology for determining the FFY2024-2026 DBE Goal:

Brockton Area Transit Authority  
2024-26 DBE Methodology Worksheet  
Section 26.45: Overall Goal Calculation

Overall Goal

1. The Brockton Area Transit Authority's (BAT) goal for the time period October 1, 2023 through September 30, 2026 is the following: 2.1% of total financial assistance will be spent with DBE firms exclusive of FTA funds used to purchase transit vehicles. BAT estimates that, in meeting the overall goal of 2.1%, BAT will obtain 100% from race-neutral participation and 0% through race-conscious measures.

For the last three years BAT's median goal achievement was 4.1%. BAT's overall goal was reviewed using the two step process described in 49 CFR 26.45 but the actual goal was set using step one only.

	FFY20	FFY21	FFY22
Goal	2.3%	2.5%	2.5%
Achievement	13.6%	2.51%	4.1%

2. BAT anticipates awarding \$16,972,000 in DOT-assisted contracts during FFY2024-FFY2026 through the combined capital and operating programs. With a goal of 2.1%, BAT will expend more than \$356,400 with DBE firms during this time period.

### Methodology used to Calculate Overall Goal

In order to arrive at the 2024-26 DBE Goal for Brockton Area Transit Authority the following procedures were followed:

1. BAT used the Census Bureau's County Business Pattern (CBP) database that is made available by the U.S. Census to search for firms by state, county and NAICS code. The market area was defined as the State of Massachusetts and surrounding states, based on previous experience in obtaining DBE participation.

The most recent NAICS codes were considered as potential sources for BAT's federally funded work during FFY2024-2026 and to identify business categories that have been used in determining DBE participation.

The State Supplier Diversity Office (SDO) directory was reviewed to match as closely as possible the NAICS codes to determine the potential market area participation. BAT is part of the UCP with the Commonwealth of Massachusetts and the Massachusetts Department of Transportation. The Commonwealth's Supplier Diversity Office (SDO) certifies Disadvantaged Business Enterprises and keeps a directory of DBE's by NAICS code. This is a searchable and downloadable directory which allows for DBE certified businesses to be sorted by NAICS code.

2. The SDO firms were researched to ensure that they were ready, willing and able to compete for work. The Supplier Diversity Database (SDO) was used as the resource for seeking out DBE's.
3. All Massachusetts firms in the SDO were included and assumed as potential bidders.
4. BAT has submitted its five year capital plan that includes FFY2024 through FFY2026. At this time the plan is under review. BAT will continue to review it for consistency with the stated DBE goal. If at any time, the existing plan changes significantly BAT will revisit the DBE goal.

The following is documentation of the method BAT used to calculate its goal.

**Step 1: 26.45(c) Determine Base Figure** – The base figures were calculated to determine relative availability of DBE's in specific area of expertise using the Supplier Diversity Office (SDO) DBE Directory database and NAICS codes.

After determining the number of DBE firms and the number of all firms in each applicable NAICS, BAT was able to determine a baseline figure for relative availability of DBE firms. The baseline figures were weighted according to the expected amount of contract dollars to be expended in each NAICS code summarized.

This research resulted in the following Step 1 calculation.

**Step 1 base figure:** Determine Base Figure – Ready, Willing and able DBE's over three years equal 298 or 1.09% of all 27,365 firms ready, willing and able. (Includes DBE's and non-DBE's)

The base figures were weighted according to the expected amount of contract dollars to be expended in each NAICS code summarized. Based on this the relative availability for DOT assisted contracts is as follows:

### Brockton Area Transit Authority 2024-2026 DBE Methodology Worksheet

For **Fiscal Year 2024** the Authority expects to award the following contracts:

#### **Step 1 - Determine the weight of each type of work by NAICS Code:**

\* Enter all contracting and sub-contracting opportunities anticipated for the FTA-assisted contracts. Project amounts should be assigned relevant NAICS Code(s).

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	236210	Rehab Facilities	\$360,000	0.0782
2)	423860	Capital Parts	40,000	0.0087
3)	423860	Support Equipment	140,000	0.0304
4)	524210	Insurance Commercial	140,000	0.0304
5)	423120	Shop Equipment	60,000	0.0130
6)	423110	Support Vehicle	140,000	0.0304

7)	485113	Vehicle Overhaul	600,000	0.1303
8)	624221	Shelters	240,000	0.0521
9)	811111	Electric/Power Equip	60,000	0.0130
10)	541618	Professional Services	640,000	0.1390
11)	561720	Custodial/Blg Grnds	190,000	0.0413
12)	423120	Materials and Supplies	600,000	0.1303
13)	454310	Fuel	1,395,000	0.3029
		Total FTA Assisted Contract Funds	\$4,605,000	1.0000

**Step 2 - Determine the relative availability of DBE's by NAICS Code:**

\* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

NAICS Code	Project	Number of DBE's available to perform work	Number of all firms	Relative Availability
			available (including DBE's)	
1)	236210	Rehab Facilities	10	149 0.06711
2)	423860	Capital Parts	1	65 0.01538
3)	423860	Support Equipment Insurance	1	65 0.01538
4)	524210	Commercial	6	2,083 0.00288
5)	423120	Shop Equipment	2	224 0.00893
6)	423110	Support Vehicle	0	105 0.00000
7)	485113	Vehicle Overhaul	1	32 0.03125
8)	624221	Shelters	0	125 0.00000
9)	811118	Electric/Power Equip	1	333 0.00300
10)	541618	Professional Services	15	1,432 0.01047
11)	561720	Custodial/Blg Grnds	36	1,885 0.01910
12)	423120	Materials and Suppl	2	230 0.00870
13)	454310	Fuel	2	75 0.02667
		Total FTA Assisted Contract Funds	77	6,803 0.20887 Overall available DBE's

**Step 3 –**  
**(Weight) x (Availability) = Weighted Base Figure**

	NAICS Code	Project	Weight	X	Availability	Weighted Base Figure
1)	236210	Rehab Facilities	0.0782		0.06711	0.00524
2)	423860	Capital Parts	0.0087		0.01538	0.00013
3)	423860	Support Equipment Insurance	0.0304		0.01538	0.00047
4)	524210	Commercial	0.0304		0.00288	0.00009
5)	423120	Shop Equipment	0.0130		0.00893	0.00012
6)	423110	Support Vehicle	0.0304		0.00000	0.00000
7)	485113	Vehicle Overhaul	0.1303		0.20887	0.02742
8)	624221	Shelters	0.0521		0.00000	0.00000
9)	811118	Electric/Power Equip	0.0130		0.00300	0.00004
10)	541618	Professional Services	0.1390		0.01047	0.00146
11)	561720	Custodial	0.0413		0.01910	0.00079
12)	423120	Materials/Supplies	0.1303		0.00870	0.00113
13)	454310	Fuel	0.3029		0.02667	0.00808
			1.0000		0.67762	0.04497
						Total Expressed as 4.50% %

For **Fiscal Year 2025** the Authority expects to award the following contracts:

**Step 1 - Determine the weight of each type of work by NAICS Code:**

\* Enter all contracting and sub-contracting opportunities anticipated for the FTA-assisted contracts. Project amounts should be assigned relevant NAICS Code(s).

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	423860	Support Equipment	160,000	0.0292
2)	423110	Support Vehicle 2	120,000	0.0219
3)	423860	Capital Parts Insurance	40,000	0.0073
4)	524210	Commercial	150,000	0.0273
5)	561720	Custodial/blg grnds	200,000	0.0365
6)	541618	Professional Services	675,000	0.1231
7)	423120	Materials & Supplies	600,000	0.1094
8)	454310	Fuel	1,300,000	0.2370
9)	485113	Vehicle Overhaul	650,000	0.1185
10)	236210	Rehab Facilities	40,000	0.0073
11)	236210	Rehab Intermodal	800,000	0.1459
12)	811111	Electr Power Equip	750,000	0.1366
Total FTA Assisted Contract Funds			\$5,485,000	1.0000

**Step 2 - Determine the relative availability of DBE's by NAICS Code:**

\*Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

	NAICS Code	Project	Number of DBE's available to perform work	Number of all firms available (including DBE's)	Relative Availability
1)	423860	Capital Parts	1	65	0.01538
2)	423860	Support Equip	1	65	0.00000

3)	423110	Support Vehicle Insurance	0	105	0.01538
4)	524210	Commercial	6	2,083	0.00288
5)	561720	Custodial/blg grnds	36	1,885	0.01909
6)	541618	Professional Services	15	1,432	0.01047
7)	423120	Materials & Supplies	2	230	0.00869
8)	454310	Fuel	2	75	0.02667
9)	236210	Rehab Facility	10	149	0.06711
10)	236210	Rehab Intermodal	9	202	0.04455
11)	811111	Elec Power Equip	1	333	0.00300
Total FTA Assisted Contract Funds			84	6,656	0.24447 Overall availability of DBE's

Step 3 – (Weight) X (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	X	Availability	Weighted Base Figure
1)	423860	Support Equipment	0.0292	0.01538	0.00045	
2)	423110	Support Vehicle 2	0.0219	0.00000	0.00000	
3)	423860	Capital Parts	0.0073	0.01538	0.00011	
4)	524210	Insurance Commercial	0.0273	0.00288	0.00008	
5)	561720	Custodial/blg grnds	0.0365	0.01909	0.00070	
6)	541618	Consulting/Professional	0.1231	0.01047	0.00129	
7)	423120	Materials & Supplies	0.1094	0.00869	0.00095	
8)	324110	Fuel	0.2370	0.02667	0.00632	
9)	485113	Vehicle Overhaul	0.1185	0.03125	0.00370	
10)	236210	Rehab Facilities	0.0073	0.06711	0.00049	
11)	236210	Rehab Intermodal	0.1459	0.04455	0.00650	
12)	811111	Elec Power Equip	0.1366	0.00300	0.00041	
			1.0000	0.24447	0.02437	
					Rounded weighted	2.1%

**For Fiscal Year 2026 the Authority expects to award the following contracts:**

**Step 1 - Determine the weight of each type of work by NAICS Code:**

\* Enter all contracting and sub-contracting opportunities anticipated for the FTA-assisted contract. Project amounts should be assigned relevant NAICS Code(s).

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	423860	Capital Parts	\$40,000	0.0073
2)	423860	Support Equipment	140,000	0.0256
3)	423110	Support Vehicle Commercial	48,000	0.0088
4)	524210	Insurance Custodial	1,550,000	0.2840
5)	561720	Bldg/Gnnds	225,,000	0.0412
6)	541168	Consulting/Profess	700,000	0.1283
7)	423120	Material & Supplies	650,000	0.1191
8)	454310	Fuel	1,325,000	0.2428
9)	232610	Renovate Maint Fac	40,000	0.0073
10)	232610	Renovate Intermodal	40,000	0.0073
11)	811111	Electr Power Equip	700,000	0.1283
		Total FTA Assisted Contract Funds	\$5,458,000	1.0000

## Step 2 - Determine the relative availability of DBE's by NAICS Code:

\* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

	NAICS Code	Project	Number of DBE's available to perform work	Number of all firms available (including DBE's)	Relative Availability
1)	423860	Capital Parts	1	65	0.01538
2)	423860	Support Equipment	1	65	0.01538
3)	423110	Support Vehicle Commercial	0	105	0.00000
4)	524210	Insurance Custodial	6	2,083	0.00288
5)	561720	Bldg/Gnnds	36	1,885	0.01909
6)	541618	Consulting/Profess	15	1,432	0.01047
7)	423120	Material & Supplies	2	230	0.00869
8)	454310	Fuel	2	75	0.02667
9)	236210	Ren Maint Fac	10	149	0.06711
10)	236210	Ren Intermodal	9	202	0.04455
11)	811111	Electr Power Equip	1	333	0.00300
Total FTA Assisted Contract Funds			83	6,624	0.21322
					Overall available DBE's

- Step 3 -(Weight) X (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	X	Availability	Weighted Base Figure
1)	423860	Capital Parts	0.0073		0.01538	0.00011
2)	423860	Support Equipment	0.0256		0.01538	0.00039
3)	423110	Support Vehicle Commercial	0.0088		0.00000	0.00000
4)	524210	Insurance Custodial	0.2840		0.00288	0.00082
5)	561720	Bldg/Gnnds	0.0412		0.01909	0.00079
6)	541618	Consulting/Profess	0.1283		0.01047	0.00134
7)	423120	Material & Supplies	0.1191		0.00869	0.00103
8)	454310	Fuel	0.2428		0.02667	0.00648
9)	236210	Renov Maint Fac	0.0073		0.06711	0.00049
10)	236210	Renov Intermodal	0.0073		0.04455	0.00033
11)	811111	Electr Power Equip	0.1283		0.00300	0.00038
			1.0000		0.21322	0.01216
					1.22%	Total Expressed as '

#### Median of 2024-2026

2024	4.5%
2025	2.1%
2026	1.2%
Median	<b>2.1%</b>

## Step 2

### **Adjustments to the Step 1 base figure**

The calculation developed for a step adjustment is as follows:

Past Participation Values:	FFY20	13.6%	FFY21	2.51%	FFY22	4.1%
Median Weighted Step 1 Goal		2.5		<u>2.5</u>		2.5
		16.1/2 =		5.01/2 =		6.6/2=
Step 2 Adjustment		8.1%		2.5 %		3.3%

Median Value = 2.5%

The Authority has chosen not to include an adjustment to the Base Figure in its calculation at this time.

## **Disparity Studies**

BAT reviewed the Commonwealth's DCAMM 2010 Disparity Study that was conducted as a requirement under federal law for public entities to evaluate their existing minority and women business participation programs to determine whether the public entity has a basis for implementing or adjusting race- and gender- conscious contracting policies. The study determined that there are statistical disparities in credit/capital markets. Credit market discrimination can have an important effect on the likelihood that a DBE will succeed. For instance, minority-owned firms were more likely to report that they did not apply for a business loan for fear of being denied, minority owned firms that did apply for loans or credit were more likely to be denied than non-minorities, and minority firms that did receive loans tended to pay higher interest rates than non-minority owned businesses. BAT had already adopted some practices that were recommended in the study such as, ensuring prompt payment, and increasing contract unbundling. It has been determined that BAT will be able to achieve its goal using race-neutral means while continuing to incorporate race-and gender conscious contracting policies.

The Massachusetts Department of Transportation has undertaken a diversity study that is not complete. The study examined the extent to which disparities exist in the utilization of qualified minority and women-owned businesses. This study, being conducted by NERA Economic Consulting and is currently taking questions and comments. When that study is complete BAT will review it and take into consideration any recommendations that may apply to BAT when preparing future goals. Until then, BAT and its fixed route and paratransit operators will continue to reach out to DBE's as part of its procurement process. Using this method, the median goal attainment for the past three years has been 1.6% higher than the 2.5% DBE goal that had been set.

In FY2024-FY2026 BAT will continue to monitor its DBE goal and procurement opportunities and consider amending the goal should new contracting opportunities arise. BAT will also continue to update its vendor list with ready, willing and able firms.

BAT has a DBE liaison committed to making a concerted effort to seek out and provide procurement opportunities to certified DBE's during the next three years. In the past the liaison has attended several workshops, tradeshows, and business forums as part of the DBE outreach. In addition, the liaison conducted a site visit and followed up with telephone calls as part of BATs outreach. The DBE Liaison will continue to use the SDO database as a resource for reaching out to potential DBE's for contracting opportunities. BAT will hold a public meeting in July, 2023 and additional meetings from time to time throughout the three years to present BAT's DBE goal. Outreach will include presenting the goal and contracting opportunities to DBE's as well as the community and business based organizations, and constituents. BAT anticipates meeting its goal of 2.1% each year of this three year goal.

### Race Neutral/Race Conscious Split

The Authority has determined that race conscious goals are not required at this time as it is projected that the entire goal will be met through race-neutral means. BAT has met or exceeded its goal in the past three years by using 100% race neutral measures.

BAT intends to meet the maximum feasible portion of its overall goal by using race-neutral means. BAT's Request for Proposals/Quotations may not contain contract specific DBE goals.

Annual DBE Goal = 2.1%	Projected Contract Goals
Race Neutral Means	2.1%
Race Conscious Means	0%

### Goal Advertisement and Public Participation Process

In accordance with goal-setting and public participation regulatory requirements of Title 49 CFR Part 26 (49 CFR §26.45), BAT will conduct activities to facilitate public participation in the overall DBE goal-setting process:

1. Publish the proposed goal and methodology on BAT's website accessible at [www.ridebat.com](http://www.ridebat.com).
2. Distribute, for review and public comment, the proposed overall DBE goal and methodology to statewide and local, ethnic/minority and chambers of commerce, as well as other community and business based organizations upon request.
3. Hold a minimum of one community meeting to provide an opportunity for community and business based organizations, their constituents, and BAT

bidders/vendors/contractors to provide comment and feedback regarding the proposed DBE goal.

4. Advertise the proposed goal in a Public Notice format, in at least one of the following types of periodicals: 1) general circulation; 2) trade/industry; and 3) minority focus. The public notice will notify the public of the 45 day public comment period and how to submit comments/ and or questions to BAT regarding its proposed goal.

After the community meeting and 45-day public participation period, BAT will consider all input received from the public, and determine if a further adjustment to the overall goal should be made.